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Report on Referendum C Revenue and Spending FY 2005-06 through FY 2017-18

This report contains the final audited figures for state revenue retained under Referendum C in the 2005-06 through 2015-16 state fiscal years and preliminary numbers for the 2016-17 and 2017-18 state fiscal years.¹ It also reflects the actions of the General Assembly and Governor in spending the money. This report is prepared in accordance with the requirements of Referendum C² passed by voters in 2005.

Revenue and spending. The state retained \$1.1 billion in FY 2005-06, \$1.3 billion in FY 2006-07, \$1.2 billion in FY 2007-08, \$771 million in FY 2010-11, \$1.5 billion in FY 2011-12, \$1.9 billion in FY 2012-13, \$2.1 billion in FY 2013-14, \$2.4 billion in FY 2014-15, and \$2.4 billion in FY 2015-16 under Referendum C. Preliminary revenue figures from the Office of the State Controller indicate that the state retained \$2.1 billion in FY 2016-17, and the September 2017 Legislative Council Staff forecast projects that the state will retain \$2.0 billion in FY 2017-18. These amounts reflect policy changes enacted during the 2017 legislative session as well as actual revenue collected after its adjournment.

Table 1 shows the distribution of the retained money for FY 2005-06 through FY 2017-18. By law, the first \$55 million in FY 2005-06, \$95 million in FY 2006-07, and \$125 million each year thereafter may be spent for expenses in any of the following areas: kindergarten through twelfth grade (K-12) education, higher education, health care, firefighter and police officer retirement plans, and transportation. The remaining amount is required to be split into equal thirds and used to fund health care, K-12 education, and higher education.³

FY 2016-17. The first \$125 million was spent on transportation projects (\$0.5 million); volunteer firefighter retirement plans (\$4.2 million); K-12 schools (\$60.1 million); and health care (\$60.1 million). A total of \$2,005.3 million (\$2,130.3 million less \$125.0 million) was allocated one-third each (\$668.4 million) to K-12 education, health care, and higher education. These amounts will be finalized with actual figures during the 2017 legislative session.

FY 2017-18. The first \$125 million is expected to be spent on transportation projects (\$0.5 million); volunteer firefighter retirement plans (\$4.2 million); K-12 schools (\$60.1 million); and health care (\$60.1 million). A total of \$1,845.0 million (\$1,970.0 million less \$125.0 million) is allocated one-third each (\$615.0 million) to K-12 education, health care, and higher education. These amounts are estimates provided through the September 2017 Legislative Council Staff forecast; the amounts will be updated with new estimates during the 2018 legislative session and finalized with actual figures during the 2019 legislative session.

Issue for consideration. The state would have faced a significant budget shortfall in FY 2005-06 and subsequent years had Referendum C not passed. Therefore, a significant portion of the money retained and spent under Referendum C did not increase funding to programs, but rather maintained prior funding levels and prevented these programs from undergoing budget cuts. It is impossible to identify the amount of additional funding made available by Referendum C to individual programs because doing so would require knowledge of the budgetary actions the state would have taken had Referendum C not passed.

¹Each state fiscal year begins on July 1.

²Section 24-77-103.6, C.R.S.

³Section 24-77-104.4 (1), C.R.S.

Table 1
Referendum C Spending by Program
Millions of Dollars

Year	K-12 Education	Health Care	Higher Education	Volunteer Firefighter Retirement Plans	Fire and Police Pensions	Transportation Projects	Total
2005-06	\$361.7	\$361.6	\$353.7	\$3.8	\$25.3	\$10.0	\$1,116.1
2006-07	425.1	425.1	404.3	3.8	34.8	15.0	\$1,308.1
2007-08	391.3	381.3	348.1	3.8	34.8	20.0	\$1,169.3
2008-09	0.0	0.0	0.0	0.0	0.0	0.0	\$0.0
2009-10	0.0	0.0	0.0	0.0	0.0	0.0	\$0.0
2010-11	275.4	275.4	215.2	4.1	0.0	0.5	\$770.6
2011-12	506.9	506.9	449.5	4.3	5.3	0.5	\$1,473.4
2012-13	633.4	633.4	578.3	4.3	10.0	0.5	\$1,859.9
2013-14	726.9	726.9	666.7	4.3	0.0	0.5	\$2,125.3
2014-15	813.1	813.1	753.0	4.3	0.0	0.5	\$2,384.1
2015-16	817.7	817.7	757.3	3.7	0.0	0.5	\$2,396.8
2016-17*	728.6	728.6	668.4	4.2	0.0	0.5	\$2,130.3
2017-18*	675.1	675.1	615.0	4.2	0.0	0.5	\$1,970.0

Totals may not sum due to rounding.

**Preliminary estimates. Actual amounts will be budgeted during the supplemental appropriations process.*

Source: Joint Budget Committee and September 2017 Legislative Council Staff Forecast.